A Well Planned Community
Safest City in the Area
Strong Local Economy
Responsible City Government
Mobility for People

City of Sugar Land

SUMMER 2003



U.S. Highway 59 Opens to Highway 6



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Newland Submits
Land Plan
Application

Marriott Hotel to Anchor Downtown Sugar Land

Sugar Land's "new downtown" is becoming a reality, as the first component of the 32-acre Town Square is nearing completion. The Marriott Hotel and Conference Center opens this fall. Town Square, a lifestyle development, will include restaurants, residential units, upscale retail, class A office space, Sugar Land City Hall and a landmark fountain plaza.



Marriott Hotel and Conference Center

The nine-story, 300-room Sugar Land Marriott Town Square will be the first full-service hotel built in Fort Bend County. The adjoining conference center will contain 26,500 square feet of meeting space that will include a 15,500-square-foot ballroom, which is among Houston's largest; eight breakout/meeting rooms; a business center; and an executive boardroom.

Main Street Retail

A pedestrian-oriented, main-street city center and a central business district will be within walking distance of stores, services, restaurants, sidewalk cafes and entertainment. Sugar Land Town Square retail space will consist of 230,000 square

feet of upscale Main Street-style retailers, like Cafe Express and Japaneiro's Sushi Bistro & Latin Grill.

The Plaza

The historically themed plaza will contain a landmark fountain and bronze monument to Stephen F. Austin, shade trees, benches and a grassy gathering area. The 1.2-acre plaza offers the opportunity for gatherings and events.

Class A Office Environment

Office buildings in Sugar Land Town Square will be built in phases, as dictated by market demand. In total, Sugar Land Town Square has been planned to include up to 700,000 square feet of Class A office space.









Dear Residents,

Your positive feedback on the opening of the U.S. 59 main lanes is music to our ears. As with many ambitious and noteworthy projects, there is a journey wherein the real story lies. And the U.S. 59 expansion project, still underway, as you know, was and continues to be a journey. Our City is built from the actions of many courageous and visionary residents who volunteer their time to serve on City Council and on the City's boards and commissions. Their roles involve far more than attending regularly scheduled meetings. Let me briefly share with you the U.S. 59 story. I'd like to build on the excitement of our new freeway and tell you about men and women who helped make it all possible.

We're driving on a total of eight main lanes because of the sheer perseverance of City Council members who took a stand and garnered support from federal, state and local leaders. There was a time that portions of

the freeway through Sugar Land were cut from the state development plan. Former Mayor Lee Duggan, Council members Brian Gaston, Mary Von Tungeln, Bill Tallas, Clyde Jacks and Dean Hrbacek with former City Manager David Neeley traveled to Austin, along with a large Fort Bend County delegation to voice support for the expansion. They encouraged a major letter writing campaign by Sugar Land residents and neighboring communities.

You, as citizens of Sugar Land played a crucial role in showing the City's willingness to partner with TxDOT in this important project. By referendum, you voted "yes" to help fund the U.S. 59 expansion through the Sugar Land Development Corporation. Tony

Boyd, then president of the Corporation and members William Little, Lewis Luckenbach III, Don Russell and Dave Stone approved the \$4.7 million expenditure. The above council members held lengthy discussions on city strategy and along with councilmember Cyril Hosley, Don Smithers and Jimmy Thompson approved this strategic expenditure. The Texas Transportation Commission listened to this groundswell of local opinion, and a group led by former Mayor Dean Hrbacek headed again to Austin to present a proclamation and a petition of thanks signed by thousands of citizens.

There are countless others who played crucial roles, including U.S. Majority Leader Tom DeLay and State Representative Charlie Howard, Fort Bend Chamber President Louis Garvin and Fort Bend Economic Development Council President Herb Appel. I wish there was space here to name all of those who helped make a difference in mobility in Sugar Land and Fort Bend County.

Overall, the City, in cooperation with local, state and federal officials, achieved a construction project 10 years ahead of its initial schedule and succeeded in getting two of the three segments of the project back on track when they had been knocked out of the program.

I am telling you this because honoring and respecting those that have served us will encourage new leaders to step forward. Recognizing the courageous decisions of the past will empower current leaders to be bold.

Remember when you drive on the new pavement of U.S. 59 that a number of your fellow residents helped to make it happen. We don't put City plaques on state projects, but if we could, the names on that plaque would be engraved in big letters.

Sincerely,

Allen Bogard City Manager

P.S. I hope you enjoy the expansion of University Boulevard and West Airport as much as you do the U.S. 59 expansion.

CITY COUNCIL

David G. Wallace Mayor

James A. Thompson Mayor Pro-Tem, At-Large Position One

Daniel O. Wong At-Large Position Two

Dennis C. ParmerSingle Member District One

Cyril HosleySingle Member District Two

Russell C. Jones
Single Member District Three

Michael S. Schiff Single Member District Four

CITY MANAGEMENT

Allen Bogard City Manager

David Ellison
Assistant City Manager/Public Safety

Paul Hofmann Assistant City Manager/Community Services

ASK CITY

A resource for citizens who do not know where or whom to call, Ask City provides high quality customer service for Sugar Land residents and visitors. Inquiries, complaints, compliments and requests may be directed to 281/ASK-CITY (275-2489).



Residential

Construction has begun on 167 mid-rise residential units. The development consists of three floors of residential units topping a one-story, 27,536-square-foot retail shell. Adjoining wings of four-story residential space will overlook the Town Square plaza and City Hall. Construction completion is projected for the late fall of 2004.

City Hall

City Hall construction has begun. The ultimate building size of approximately 82,000 square feet will be able to serve Sugar Land's ultimate population projection of 200,000 residents. The initial build-out of 70,000 square feet will accommodate a 75,000 population.

Fiscal Year 2003-2004 Budget

As Sugar Land's fiscal year begins Oct. 1, 2003, preparations are ongoing for the development of an annual budget for fiscal year 2004. Although Sugar Land adopts a one-year budget through the City's fully integrated long-range planning process, the budget implements strategies, both financial and operational, to meet existing challenges and effectively plan for the future. Decisions should not be based solely on current conditions but on the long-term welfare of the community to ensure a strong financial and operational position for future generations.

Ultimately, the budget communicates who we are and what we do. The budget ensures energies and resources are directed toward the vision and mission, as well as the five goals: A Well Planned Community, Safest City in the Area, Strong Local Economy, Responsible City Government and Mobility for People.

To prepare for the development of the budget, the city manager assigned key staff to focus on one of the five goals, then charged them with the task of identifying ways to measure success in achieving the goal and strategies to attain the goal. A strategic planning retreat was then held to review, discuss and prioritize the needs. The top 10 needs were incorporated into the annual budget process. Development of budget recommendations was built around these needs, as well as other priorities identified by the city manager.

The city manager's recommended fiscal year 2004 budget was filed with City Council on July 22. A series of budget workshops will be held through August to review and discuss the recommended budget with City Council. During this time, amendments can be made to the budget based on City Council direction. A public hearing on the recommended budget will be held Aug. 19, with adoption of the budget in September.

What is the Effective Tax Rate?

As part of the budget process, Sugar Land must adhere to specific processes established by state law when deciding the tax rate. The process used is dependant on benchmark rates, such as the effective tax rate.

The effective tax rate is defined as the calculated tax rate that would provide the City with the same amount of revenue it had the year before on properties taxed in both years. For example, if property values go up, the effective tax rate goes down. State law allows taxing entities to adopt an effective tax rate plus 3 percent before having to follow public notice procedures. This rationale allows for an inflation factor in providing the cost of services.

The City of Sugar Land has been

proactive in ensuring property owners are not over burdened by increased valuations, as the City has typically adopted a tax rate at either the effective tax rate plus 3 percent or lower. Over the last seven years,

including the proposed tax rate for tax year 2003, the City's adopted tax rate has averaged a 1.9 percent increase over the effective tax rate, keeping the impact of revaluation to a minimum.

EFFECTIVE TAX RATE CALCULATIONS						
	EFFECTIVE	ADOPTED				
TAX YEAR	TAX RATE	RATE	% CHANGE			
1997	.35771	.3583	.2%			
1998	.36740	.3583	(2.5%)			
1999	.3390	.3583	5.6%			
2000	.34053	.3483	2.3%			
2001	.32799	.3333	1.6%			
2002	.31929	.32886	3.0%			
2003	.31885	.3284*	3.0%			
		AVERAGE	1.9%			
*Proposed						

Sugar Land City Council Approves Five-year Solid Waste Services Contract

Sugar Land's new five-year contract with Browning-Ferris Industries, Inc. (BFI) for residential solid waste collection and recycling preserves service levels, but the collection days for some areas may change. The contract becomes effective Oct. 1. The City will be sending out information regarding the new collection days and will set up a link on the City's Web site for information about the new collection schedules.

BFI will continue to provide curbside collection of recycling once per week and curbside collection of trash — including heavy trash, green waste and unbundled tree limbs — twice per week.

The City, currently in the fifth year of a five-year contract with BFI, has used private haulers to collect residential and commercial solid waste since its incorporation in 1959, thereby eliminating the need to maintain solid waste collection equipment and staffing.

In an effort to secure the highest quality of service at the lowest cost, the City began the contract renewal process a full year before the current contract was scheduled to expire. In October 2002, pre-qualification criteria were determined and requests for qualifications were solicited. The four qualifying firms were sent proposal packets, and proposals were received and evaluated. BFI submitted the lowest proposed unit price, and with Council's approval, staff began negotiations with BFI in February.

The new contract represents a minimum increase of 9 percent to the City for waste and recycling curbside collection services. This price will be fixed for the first two years of the contract, with a scheduled increase in the fixed rate for the remaining three years.

Even with an increase, Sugar Land will continue to have one of the best

values for waste collection services among area municipalities.

For questions, call the Public Works Department at (281) 275-2450.

HOUSTON AREA MARKET COMPARISONS								
CITY	SERVICE LEVEL	RECYCLE	HEAVY TRASH	TREE LIMBS	USER FEE			
CITY OF LEAGUE CITY	CURB	NO	TWICE/YEAR	NO	\$9.89			
CITY OF MISSOURI CITY	CURB	NO	TWICE/WEEK	ONCE WEEK, BUNDLED	\$10.50			
CITY OF SUGAR LAND	CURB	YES	TWICE/WEEK	TWICE/WEEK	\$10.70*			
CITY OF ROSENBERG	CURB	YES	ONCE/WEELK	ONCE/WEEK, BUNDLED	\$11.48			
CITY OF PASADENA	CURB, BAG ONLY	YES	ONCE/WEEK	TWICE/MONTH	\$12.50			
WEST UNIVERSITY	CURB	YES	NO	ONCE/WEEK	\$15.75			
CITY OF BELLAIRE	CURB, BAG ONLY	YES	ONCE/WEEK	TWICE/WEEK, BUNDLED	\$17.17			
*The contract rate with BFI is passed on to the residents and billed monthly on the City's water/wastewater bill. The								

*The contract rate with BFI is passed on to the residents and billed monthly on the City's water/wastewater bill. The City also provides for contract administration and public education programs. The fiscal year 2003-2004 budget proposes a user fee that covers both the cost of the contract, as well as contract administration.



Sugar Land Breaks Ground on New City Hall

An official groundbreaking ceremony was held Aug. 8 for Sugar Land's new City Hall. Dignitaries participating in the groundbreaking included (L-R) former Councilmember Brian Gaston; Steve Ewbank, Sugarland Properties Inc.; David Harvey, D.E. Harvey Builders, Inc; Jeff Gerber, PGAL Architects; former Mayor Dean Hrbacek; former Councilmember Don Smithers; former Mayor Walter McMeans; City Manager Allen Bogard; Councilmember Michael Schiff; Councilmember Cyril Hosley; Councilmember James Thompson; Mayor David Wallace; Councilmember Russell Jones; Councilmember Dennis Parmer; former Councilmember Clyde Jacks; Councilmember Daniel Wong; former Councilmember Bill Tallas; former Mayor Roy Cordes, Sr.; and former Councilmember Roy Cordes, Jr.

Regional Approach Encouraged for Surface Water Mandate

The City's water is currently supplied wholly through groundwater wells, but by 2013, Sugar Land must reduce the use of groundwater by 30 percent. This mandate from the Fort Bend Subsidence District is in response to continued growth in the county that will deplete groundwater supplies and has the potential to cause land subsidence.

In 1997, Sugar Land secured 20 million gallons a day of surface water supplies, which is sufficient to meet the mandate for residents of the City. Also required is the development of a Groundwater Reduction Plan that will specify how the conversion to surface water will be implemented. The plan will include development and construction of a surface water treatment plant and the delivery of the treated water to the citizens.

Sugar Land is taking a regional approach to mandated reduction in groundwater usage, one intended to reduce future costs by taking advantage of economies of scale and reducing duplicative efforts.

City Council adopted a surface water policy earlier this year to encourage regionalization of water planning; this includes planning for the developments in the City's extraterritorial jurisdiction (i.e., Greatwood, New Territory, Avalon, Brazos Landing, Riverpark and Riverstone). Based on a recent study, staff is preparing costs and other related information to share with municipal utility districts located in the City's extraterritorial jurisdiction.

In addition, City staff is reviewing implementation alternatives, including partnerships with adjacent cities, municipal utility districts and/or a countywide water authority.



CITY WATER SUPPLY IN GOOD SHAPE

As the summer months advance, both temperatures and water use reach their peaks. Sugar Land works hard to ensure that our water supplies are more than sufficient for citizens. However, even in times of plenty, doing our part to conserve this precious resource is still the smart, responsible choice. Here are some tips to save water around the house.

- Repair leaky faucets, pipes and toilets; it can save thousands of gallons a month.
- Turn the faucet off while shaving and brushing your teeth.
- Turn automatic timers on your sprinklers off, run them manually when grass blades turn dull green or begin to curl, and never water during the hottest times of the day.

For more water-saving tips, stop by the Water Conservation Tips page on Sugar Land's Web site. When everyone's small efforts are combined, they can make a big difference!

ANNEXATION PLANNING ONGOING

The Sugar Land area is one of the fastest growing in the nation. This growth represents both opportunity and challenge for local decision-makers. Our ability to sustain our enviable quality of life will be determined by our ability to

serve and manage growth. Annexation is an important growth-management tool for cities.

Cities annex areas in order to ensure high quality development standards and adequate maintenance of public infrastructure. Cities also annex in order to ensure that city services provided to outlying areas are financially supported by the beneficiaries of those services. Perhaps most important, annexation of unincorporated areas provides for a comprehensive governance structure. Citizens who reside in developed areas benefit from the ability to hold a single government entity accountable for the full range of local government services.

One of the City's objectives, recently adopted in the Comprehensive Plan, is: "The City should annex developed areas in the extraterritorial jurisdiction in a practical and fiscally responsible manner."



The developed property in Sugar Land's annexation-eligible area (Extraterritorial Jurisdiction, or "ETJ") is almost completely served by Municipal Utility Districts (MUDs). These MUDs are

governmental entities with the authority to levy taxes, which are used to fund and operate water/wastewater-related infrastructure.

City officials are often asked when the City plans to annex the developed area in the ETJ. In fact, we have no clear answers to that question. Our assumption is that the ETJ area will be part of the City someday. Financial, facility, transportation and development planning can only be done with that assumption. However, it's important that there be some clarity in the scope and timing of the City's geographic growth.

City staff are working with a City
Council subcommittee on an
annexation plan. It's equally important
that the City fully consider the impact
of its annexation decision-making
upon current and future residents.

Should existing residents bear the cost of service

delivery to the ETJ? Should annexed residents bear the costs associated with prior annexations? What is the net



effect of imposing a city tax rate as compared to the existing fees MUD residents pay for public safety, parks, landscaping, etc? More information related to these questions can be found on Sugar Land's online annexation planning update at www.sugarlandtx.gov.Click "City Services," then "Development Services" and, finally, "Planning and Zoning."

Our commitment is to approach these complex policy issues in a fair and reasonable fashion. We will continue to promote an open and honest dialogue with all affected representatives as these policy decisions are made.

More information about the City's annexation policy planning of developed or undeveloped property can be obtained by contacting Jim Callaway, Sugar Land Development Services Director, at (281) 275-2818.

DURING EMERGENCIES, SUGAR LAND CAN CALL YOU

A newly activated early warning system called "NEWS" now allows Sugar Land to provide citywide or areaspecific telephone instructions to citizens during emergencies. The messages — which could address situations such as gas leaks, weather-related emergencies or manmade disasters — utilize the greater Harris County 9-1-1 Network Early Warning System (NEWS). Sugar Land's participation in the warning system is free, with fees incurred only when NEWS is activated at a rate of 15 cents per call. The City will not be billed for wrong numbers, busy signals, modem/fax numbers or unanswered calls.

NEWS is a target notification system that allows a specific area to be designated for rapid calling and delivery of emergency messages. It's like having 9-1-1 call you. NEWS utilizes Harris County's 9-1-1 database, which is the most accurate database available; it is updated several times per day and includes both published and non-published telephone numbers.



EOC IN ACTION

The early warning system is capable of making 1,152 simultaneous calls. When the phones are answered, a message is delivered. The system calls back unanswered and busy numbers, keeping records of all calls. The telephone is also one of the most reliable forms of communication available — when the power fails, the phone system still works.

Protocols have been established for the use of NEWS in Sugar Land, with key officials identified to access the alert system during emergency situations. Sugar Land's participation in NEWS is part of an ongoing commitment to emergency preparedness and response efforts. Other recent accomplishments include completion of citywide emergency management drills, the completion of a permanent and an alternate Emergency Operations Center and expansion of the Sugar Land Fire Department's hazardous materials response capabilities.



New Park Facilities Considered

Citizen input will be needed during a process expected to create a road map for future park projects and recreational programs. Beginning this fall, the City will begin updating its Parks and Recreation Open Space Master Plan, a process that's expected to span 16-18 months. In addition to a citizen survey, focus groups will be utilized to solicit public opinion. All public comment, which is critical to the needs assessment element of the open space plan, will be reviewed by a citizen advisory committee responsible for overseeing the master plan process. The master plan will identify new land acquisition and capital projects needed to meet the parks demand in our community.

Other parks planning initiatives currently underway include:

Brazos River Corridor: Looking to capitalize on future recreational opportunities, the City recently amended its zoning regulations to include a new Brazos River Park and Conservation Zoning District. Encompassing acreage along the Brazos River, the district's land may be used for park, scenic or conservation purposes, including open, natural and improved park and recreation areas. There are 710 acres of the Brazos River floodway annexed into the City. Programming ideas for the park include special event amenities, athletic facilities and more.

Duhacsek Park: This 50-acre homesite and property provides a unique opportunity to explore new ideas for utilizing a City park. Located outside of the City limits on Old Richmond Road, Virginia Duhacsek donated the property to the City with the stipulation that it be developed as a public-use facility. The following items have been noted as possibilities:

- 1. Partner with community youth organizations to develop the site as a day camp/retreat facility.
- 2. Make facility available to corporations for business retreat meetings.
- 3. Cater to church functions, group or corporate picnics, etc.
- 4. Utilize the site as a nature preserve emphasizing environmental education.



How Did the Legislature Affect Sugar Land?

During the 78th Texas Legislature, there were 5,754 bills introduced and 1.403 passed – more than 110 of the 1,200 city-related bills passed. Sugar Land monitored the progress of more than 60 bills in the following areas that had the potential of impacting the City: annexation, clean air, collective bargaining/human resources, concealed firearms, economic development, homeland security, homeowners' associations, municipal revenue (finance, property tax and sales tax), open meetings and open records, surface water, transportation, unfunded mandates and zoning.

 HB 1088: Lowers the threshold from \$100,000 to \$25,000 the minimum amount of annual sales taxes remitted by a company before a City may receive certain information. It also permits the City to meet in executive session to discuss or question staff on confidential sales tax information.

- HB 211: Cities of 25,000 or more may use the competitive sealed proposal procedure rather than competitive bidding to purchase insurance.
- HB 9: Allows cities to keep certain information confidential as it relates to homeland security.
- The Texas Energy Center, located in Sugar Land, received an appropriation in the budget under the Governor's economic development program of \$31 million.
- HB501: Bars a City from prosecuting a license holder for carrying a handgun on municipal property with

the exception of locations where any government court is held.

- HB 2912: Creates additional restrictions on the use of 4A and 4B funds, including the elimination of the ability of 4B corporations to fund learning centers and municipal buildings.
- HB 3534: Eliminates the establishment of certain types of purchasing companies solely for tax structure purposes. The law would take affect in two years. At present there are two home builders in Sugar Land that have established purchasing companies. The legislation may affect these companies, creating a significant decrease in sales tax collections for Sugar Land.



IT'S HURRICANE SEASON

Top hurricane experts from the Commerce Department's National Oceanic and Atmospheric Administration (NOAA) have said the 2003 Atlantic hurricane season will likely have above normal levels of activity. The outlook calls for the potential of 11 to 15 tropical storms, with six to nine hurricanes, and two to four classified as major hurricanes. Officials from NOAA and the Federal Emergency Management Agency advise residents in Atlantic and Gulf Coast states to be prepared throughout the season, which runs June 1 through Nov. 30.

Do you know the difference between a hurricane watch and warning? What should you include in a disaster supplies kit, and how do you prepare for the high winds of a hurricane? For answers to these questions or to download a hurricane tracking chart, check out the hurricane preparedness section of the City's Web site at www.sugarlandtx.gov. Click "Emergency Management," then "It's Hurricane Season!"



GETTING THE WORD OUT

Citywide neighborhood and homeowners' association representative meetings are held the third Thursday of January, April, July and October at Sugar Land City Hall, 10405 Corporate Drive. At these meetings, representatives are provided with development updates, public safety initiatives and other important City information.

Charter Review to Examine Foundation of Sugar Land

To be appointed by City Council in August, the Charter Review Commission's recommendation to Council could occur by the end of the year, with a possible charter review election called in the future. In the last decade, Sugar Land City Council has appointed two Charter Review Commissions.

Volunteers will be reviewing Sugar Land's charter, a document that provides the foundation for governance in Sugar Land. In 1981, Sugar Land citizens voted to adopt the City's first home-rule charter. By converting from a general-law city to a home-rule city, the citizens chose to exercise their right under the Texas Constitution to make local laws to govern their own affairs. The charter is the City's 'constitution' and cannot be amended except by approval of the voters and not more than every two years.

In 1995, the following recommendations were adopted: 1) Council must adopt annual City goals and long-range plans; 2) Council will adopt an annual fiscal plan; 3) Council quorum was reduced from five to four members; and 4) four affirmative Council votes are required for action on any public business.

In 1998, the following recommendations were adopted: 1) election of Council members by majority instead of plurality vote; 2) Council term limits will be applied to consecutive years of service, not consecutive terms; and 3) Council is required to read only an ordinance caption in lieu of the whole ordinance before adoption.

Development Update

- Sugar Land Town Square Residential Units: Permits were issued for 167 residential units and a parking garage, which will be located in Sugar Land's mixed-use Town Square development. The residential units will sit atop street-level retail.
- Town Square Parking: A permit has been approved for an additional parking garage in Town Square.
- New Homes: 159 new single-family residences were constructed within the City from January-June 2003.
- Brazos River Conservation District: A code amendment and rezoning process established a new Brazos River Conservation and Parks District for 710 acres along the river that were annexed in 2001.
- Fort Bend County Tracts 4 and 5: Newland Communities submitted a general land plan application for 2,000 acres formerly owned by the state. The proposed mixed-use development is located along the west side of First Colony, extending southward from State Highway 90A to the south side of U.S. Highway 59. This development proposes residential, office and retail/commercial, with potential research and development areas.
- Life Time Fitness: City staff received an application for the development of Life Time Fitness, a health and fitness club proposed for the State Highway 6/Brooks Street area.



- Panera Bread Restaurant at Highway 6 near Kensington Boulevard in Town Center Lakeside now open.
- P.F. Chang Restaurant at Town Square.
- Pei Wei at Kensington Boulevard in Town Center Lakeside now open.

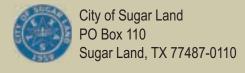


TOWN CENTER LAKESIDE



TOWN SQUARE RESIDENTIAL UNITS





PRST STD.
US POSTAGE
PAID
SUGAR LAND, TX
Permit No. 8

Coming in the Fall

- Approved FY2003-2004 Budget
- Capital Improvement Program

Postal Customer